

Suggestions for Revisions of Staff Study No. 13

1. Page 6, line 4, et seq. The present language has the principal defect of implying unanimity (including the United States) in giving of reasons - or preferably debatable arguments - for reduction of trade controls to the European Soviet Bloc. It is suggested the wording be revised to read as follows:

"Certain CG nations, but particularly the United Kingdom, argued that the existing control lists should be adjusted to take account of current conditions and factors, such as: the probability of a long period of tension short of war; the desirability of expanding non-strategic trade with the bloc with the hope that this would provide a sounder basis for peace; the need for increased trade by friendly countries arising from mounting production surpluses; and the compensated balance achieved by increasing the effectiveness of control measures as against a reduced list of strategic commodities."

The reasons for making certain other changes reflected above are fairly apparent, but it may be mentioned that "greater internal strength" of friendly countries does not necessarily cause a need for increased foreign trade - as in the original wording - and that increased effectiveness of control measures was not appreciably derived from a shorter list of commodities but was sought and obtained by the United States as a compensation to the reduction of the commodity list.

2. Page 8, line 7. It is suggested that this sentence be amended to read:

"Latent commercial interests are again coming to the fore, but ample evidence is available that propaganda and pressure devices from the Soviet Bloc have inspired a considerable degree of the revived impetus toward East-West trade."

3. Page 10, paragraph 2. a. "Ethnological" was presumably meant to be "ethnological." b. The statement "Hence, they feel that continued interzonal trade is vital, even in some strategic goods." They implies that all West Germans feel the same way and that they include "some" strategic goods in desired interzonal trade, although the reasons and basis for the selection of "some" strategic goods are not detailed.

Suggested revision:

"Hence, many West Germans feel that continued interzonal trade is vital, and they do not always exclude trade in strategic goods from this belief."

4. Page 11, line 3. The phrasing of this sentence implies that Japan is currently making an all-out effort to evade CHINCOM controls, which is hardly supported by available information to date. Suggested revision:

"At present

ENCLOSURE

~~SECRET~~  
- 2 -

"At present Japan is adhering to the CO/CHINCOM policy but recently has sharply increased her attempts to export embargoed materials to Communist China by exploiting the exceptions procedures of the CHINCOM controls.

5. Page 12, paragraph 1. Suggested revision:

"Variations in Philosophy Toward East-West Trade

Last year Sir Winston Churchill emphasized the philosophy of trade as an alleviator of tensions between East and West. The United States has not opposed the idea that international trade - when politically unmotivated - tends to promote peaceful relations, but has cautioned, etc., etc.,"

6. Page 14, line 4. Is it really true that the rule of unanimity is "indispensable" to the existence of the CO organization? Perhaps the last part of this sentence would better read: "And adds strength to the force of decisions made by the CO organization."
7. Page 16, last sentence. This implies that the symbolic value of the CO structure may be even more important than its ability to deprive the bloc of some strategic goods. It is doubtful that the repeated hammering of Communist propaganda against COCOM controls is occasioned primarily by respect for symbolic free world solidarity and strength but that Communist protests reflect mainly the economic hurt inflicted on their plans by the denial or increased cost of strategic materials from the West. Suggested revision:

"In another important sense, etc., etc."

~~SECRET~~  
FE:CA: ~~XXXXXXXXXXXX~~

~~SECRET~~